

Uncompensated Care Pool Quarterly Report, PFY07 Q1

About this Report

Pursuant to Chapter 139 of the Acts of 2006, the Division of Health Care Finance and Policy (the Division) produces this quarterly report on the demographics and utilization patterns of individuals whose medical care is paid for by the Massachusetts Uncompensated Care Pool (UCP or 'Pool'). This report covers Pool activity during the first quarter of Pool Fiscal Year 2007 (PFY07 Q1) from October 1, 2006, through December 31, 2006, and reports on the number of inpatient discharges and outpatient visits by age, income, and diagnostic category, as well as average charge per inpatient discharge and outpatient visit, and other statistics pertinent to monitoring the Pool.

Analyses of the utilization patterns of Pool users, total charges, and allowable uncompensated care costs are based on claims for services billed to the Pool by each acute care hospital in the Commonwealth. Demographic information is taken from uncompensated care applications submitted to the Division and through MassHealth. See Data Notes at the end of this report for further information on the data used in these analyses.

This report is organized into four sections containing the following information on Pool activity during the first quarter of PFY07:

- *Health Care Reform* including analyses of the impact of the introduction of Commonwealth Care programs on the Pool;
- *Pool Utilization Statistics*, including the number of individuals whose medical expenses were billed to the Pool, the volume of services provided to Pool users, and the costs to the Pool of that care;

- *Pool User Demographics*, including the volume of services and costs by age, gender, family income, and family size; and
- *Services Billed to the Pool*, including details on the types of services received by Pool users, inpatient and outpatient volume and costs by age and gender, type of inpatient admission, top reasons for care, and average costs for inpatient discharges and outpatient visits.

Uncompensated Care Pool Overview

The Uncompensated Care Pool pays for medically necessary services provided by acute care hospitals and community health centers (CHCs) to eligible low-income uninsured and underinsured individuals. In addition, the Pool reimburses hospitals for emergency services for uninsured individuals from whom the hospitals are unable to collect payment (these are known as emergency bad debt charges or ERBD). The Pool is always the payer of last resort on any claim; when another public or private insurer is the primary payer, the Pool may be charged for the balance of charges for which the eligible individual is responsible. If an individual is uninsured, however, the Pool is the primary and only payer. For more information about the Uncompensated Care Pool, please contact the Division at (617) 988-3222, or visit www.mass.gov/dhcfp.

In PFY04, the UCP payment method for hospitals changed from a retrospective fee-for-service system to a prospective fixed-payment system. Under this

Inside	
Health Care Reform	2
Pool Utilization Statistics	3
Pool User Demographics	4
Services Billed to the Pool	7
Data Notes	10
Appendix	12

system, acute care hospitals are paid a pre-determined amount from the Pool each month, based in part on historical uncompensated care costs. CHCs continue to be paid on a fee-for-service basis up to an annual cap that is set for total CHC expenditures. See the Appendix for a summary table of the sources and uses of Pool funds comparing PFY06 with PFY07 Q1.

Health Care Reform in PFY07

Impact of Commonwealth Care

The health care reform legislation of 2006 (Chapter 58 of the Acts of 2006), included significant changes to the health care landscape in Massachusetts. Among these reforms was the creation of new subsidized insurance products through the Commonwealth Health Insurance Connector Authority (the Connector). In October 2006, the Commonwealth Care insurance program became available for Massachusetts residents with incomes under 100% of the federal poverty level (FPL). Since many people eligible for Commonwealth Care were in the Pool database, an auto-enrollment process was completed between October and December 2006 that converted 36,000 individuals from UCP eligibility to Commonwealth Care eligibility. As a result of this conversion, the UCP caseload decreased by 9% during PFY07 Q1. Throughout PFY07, as individuals enroll in Commonwealth Care plans, the UCP caseload will continue to decline.

As a result of the caseload decline, UCP utilization also decreased in PFY07 Q1. Figures 1A, 1B, and 1C show the continued decrease in UCP utilization growth rates from PFY05 through PFY07 Q1, including outpatient visits and inpatient discharges by Pool users, which were consistently negative during this time period. While CHC visits increased between PFY05 Q1 and PFY06 Q1, CHC utilization decreased by 8% between PFY06 Q1 and PFY07 Q1.

Pool Utilization Statistics

Number of Individuals Using the Pool

During PFY07 Q1, medical expenses for an estimated 173,519 individuals were billed to the Pool, representing a 9% decrease in Pool users compared with PFY06 Q1 when medical expenses for 189,755

Figure 1A: Percent Change in Outpatient Visits by Pool Users, Q1 Comparison Over Time

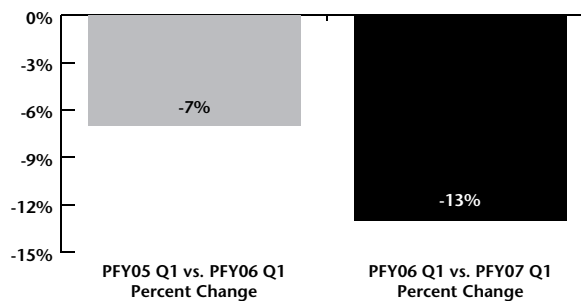


Figure 1B: Percent Change in Inpatient Discharges by Pool Users, Q1 Comparison Over Time

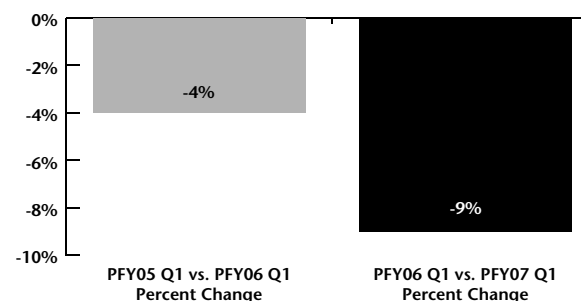
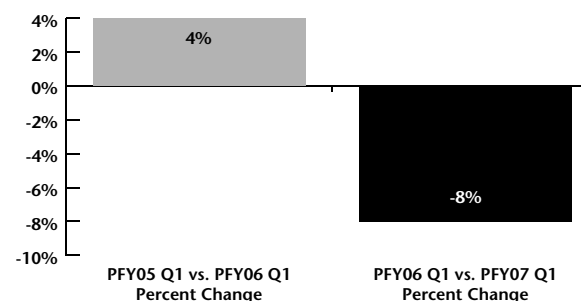


Figure 1C: Percent Change in CHC Visits by Pool Users, Q1 Comparison Over Time



Notes: Figures 1A through 1C use October through December data in all years.

individuals were billed to the Pool (see Figure 2 below).

In PFY06, medical services for 443,995 individuals were billed to the Pool; 43% of these individuals received services during PFY06 Q1.¹ Assuming a similar pattern for PFY07, the Division estimates that 406,005 individuals will receive services paid for by the Pool during PFY07, which would represent a decrease of 9% from PFY06. This estimate does not take into consideration the anticipated decrease in Pool users due to Commonwealth Care enrollment. Future quarterly reports will provide more refined analyses of Pool user trends in PFY07 due to the availability of additional data. In comparison, the number of Pool users decreased by 2% between PFY04 and PFY05 and by another 2% between PFY05 and PFY06.

Allowable Costs Billed to the Pool

During the first quarter of PFY07 hospitals billed \$144.8 million in projected allowable uncompensated care costs² to the Pool, a 5.6% decline from the \$153.3 million billed to the Pool in PFY06 Q1. Total projected costs to the Pool in PFY06 equaled approxi-

Figure 3A: Hospital-Projected Allowable Costs by Quarter, PFY06–PFY07 Q1 (in millions)

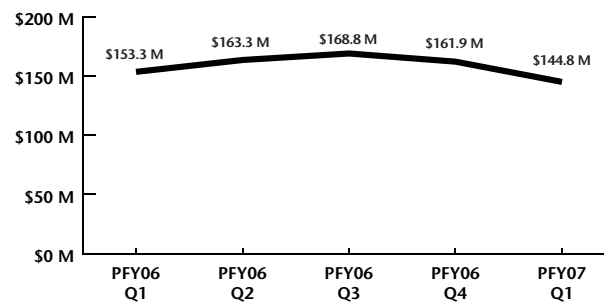


Figure 3B: CHC Payments by Quarter, PFY06–PFY07 Q1 (in millions)

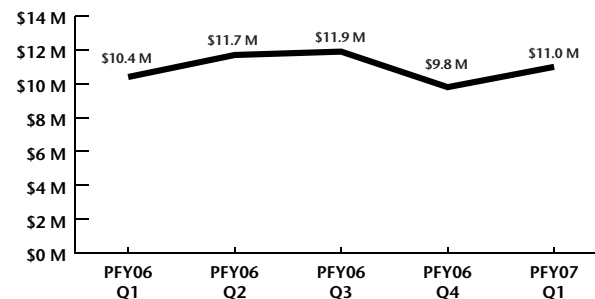


Figure 2: Percent Change in Pool Users, Q1 Comparison Over Time

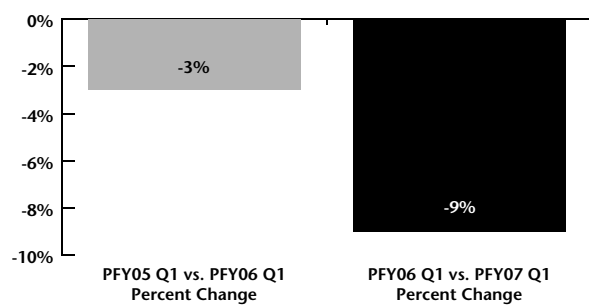


Figure 3C: UC Payments as a Percentage of Total UC Actual Costs, PFY06–PFY07 Q1

Hospital Category	PFY07 Q1 Payment Percentage	PFY06 Payment Percentage
DSH (85%) ³	139.2%	126.0%
Community DSH (88%) ⁴	107.8%	91.3%
All Other Hospitals	83.0%	61.6%

¹ The high percentage (43%) of users in the first quarter of PFY07 reflects the method used to calculate the number of users in a quarter versus a full year, and is not due to overly high utilization rates during the quarter. The user count for a quarter is the number of individuals who received services in that particular quarter; the user count for a year is the number of individuals who received services at any point during the year. Therefore, an individual who received services in the first and fourth quarters would be counted as a user in both the first and fourth quarters, but would be counted as only one user for the Pool fiscal year as a whole.

² These are projected costs based on the charges submitted to the Pool on the UCP claims. Costs are derived by applying each hospital's interim cost-to-charge ratio to the reported charges. These costs do not reflect UCP payments, due to the prospective payment system.

³ Safety-Net Disproportionate Share Hospitals are Boston Medical Center and Cambridge Health Alliance.

⁴ Community Disproportionate Share Hospitals are: Berkshire/Hillcrest, Brockton, Cape Cod, Caritas Carney, Caritas St. Elizabeth's, Holyoke, Lawrence General, Mercy, Merrimack Valley, Quincy, St. Anne's, St. Vincent, Southcoast, and Wing Memorial.

Table 1: Total Service Volume and Costs by Hospital and CHC, PFY07 Q1

	Service Volume	Percent of Total Volume	Allowable Costs to the Pool	Percent of Total Costs
Total Inpatient Discharges	8,706	2%	\$46,463,118	30%
Total Outpatient Visits*	335,036	76%	\$98,308,776	63%
Total Hospital Discharges/Visits**	343,742	78%	\$144,771,894	93%
CHC Visits	98,465	22%	\$10,973,387	7%
Total Hospital and CHC Volume	442,207	100%	\$155,745,281	100%

* Outpatient Visits include visits to hospital outpatient departments and hospital-licensed community health centers.

** 90% of the service volume and 87% of costs were for regular uncompensated care services; 10% of service volume and 13% of costs were for emergency bad debt services (ERBD).

mately \$647.3 million, an average of \$161.8 million per quarter (see Figure 3A).

CHCs received \$11.0 million from the Pool during PFY07 Q1, which represents a growth of 5.0% over the first quarter of PFY06 when \$10.4 million was billed to the Pool (see Figure 3B).

Figure 3C summarizes the ratio of PFY07 Q1 uncompensated care payments to total uncompensated care costs. It shows the difference between the payment percentages calculated using projected costs and the percentages calculated using actual costs. The projected payment percentages are the PFY07 payment projections as specified by legislation, while the actual payment percentages reflect up-to-date PFY07 Q1 charge data and cost-to-charge ratios.

Volume of Services Provided

Table 1 summarizes the volume and costs of services billed to the Pool during the first quarter of PFY07. As in PFY06, inpatient discharges represented a small percentage of the volume (2%), but a large percentage of allowable uncompensated care costs (30%). In contrast, hospital outpatient visits (including visits to hospital-licensed health centers) accounted for 76% of services provided and 63% of costs. The remaining 22% of services and 7% of costs were for services delivered at free-standing CHCs.

Hospital services provided to individuals who applied for and were determined to be eligible for

uncompensated care accounted for 90% of all services and 87% of allowable hospital costs billed to the Pool. The remaining 10% of hospital services and 13% of allowable costs were for uncollectible emergency room bad debt (ERBD) services.

Pool User Demographics⁵

In the first quarter of PFY07, the demographic characteristics of Pool users remained essentially unchanged from PFY06, with the majority of Pool users being uninsured, single, childless adults (ages 19 to 64), with very low incomes.

Insurance Status of Pool Users

The majority of Pool users had the Pool as their primary payer; 55% of all medical services and 59% of costs billed to the Pool were for individuals who reported having no insurance, and for whom the Pool was the primary and only payer. As such, the Pool paid for all medically necessary services for these uninsured individuals. The remainder of the Pool user population was covered by other public or private insurance, and the Pool was billed for any uncovered services, copayments, and deductibles. For this population, MassHealth was the primary payer for 15% of services and 13% of costs billed to the Pool, Medicare was the primary payer for 4% of services and 1% of costs, and other commercial and government

⁵ In this section of the report, hospital costs are derived from the UCP claims dataset. Hospitals report charges on each claim, and these charges are multiplied by each hospital's cost-to-charge ratio to determine hospital costs. These costs do not reflect UCP payments, due to the prospective payment system.

Figure 4A: Percent of Total Hospital Service Volume by Primary Payer, PFY07 Q1

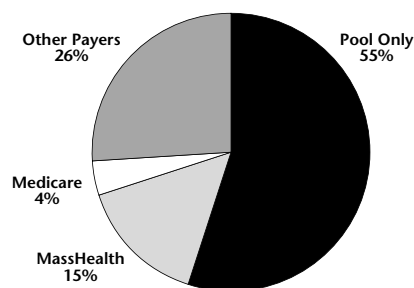


Figure 5A: Percent of Total Hospital Service Volume by Gender of Patient, PFY07 Q1

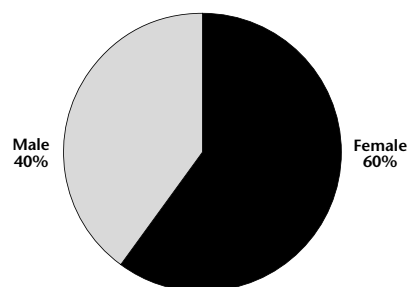


Figure 4B: Percent of Total Hospital Pool Costs by Primary Payer, PFY07 Q1

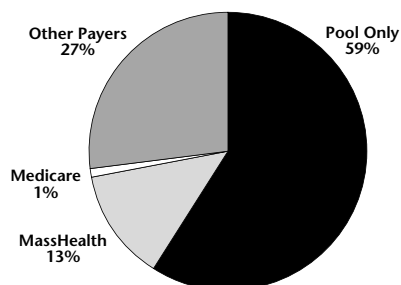
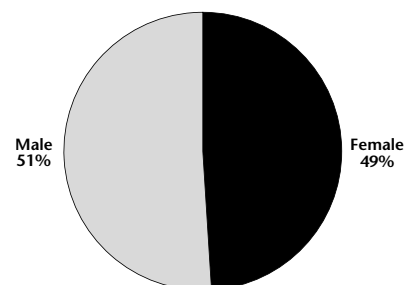


Figure 5B: Percent of Total Hospital Costs by Gender of Patient, PFY07 Q1



programs were the primary payers for 26% of services and 27% of costs (see Figures 4A and 4B).

The implementation of the Commonwealth Care program in October 2006 caused a shift in the insurance status of Pool users in PFY07 Q1. As UCP members were converted to Commonwealth Care eligibility, hospitals changed the coding of their claims to include another payer. Since Commonwealth Care members retained their UCP eligibility until their enrollment in Commonwealth Care was effective, the UCP continued to receive claims for people who would be enrolled in Commonwealth Care. The increase in the “other payers” category in Figures 4A and 4B is due to the conversion of UCP “Pool only” members to Commonwealth Care. In PFY06, 6% of volume and 4% of costs had “other payers” as primary.

Utilization Patterns by Gender

As in previous quarters, men in the Pool user population used fewer services than women (40% of services billed to the Pool were for men versus 60% for women), but generated slightly more hospital costs (51% for men versus 49% for women, see Figures 5A and 5B). This difference reflects a variation in utilization patterns; men are more likely than women to receive inpatient hospital care, which accounts for higher costs to the Pool, while women more typically receive outpatient services (see also Figures 9A and 9B).

Utilization Patterns by Age

The Pool primarily pays for services for non-elderly adults. During PFY07 Q1, adults ages 25 to 44 received the largest percentage of services (38%),

Figure 6A: Percent of Total Hospital Service Volume by Age of Patient, PFY07 Q1

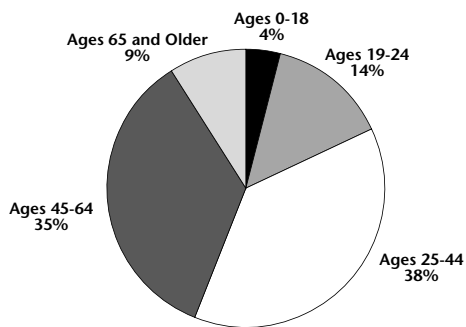
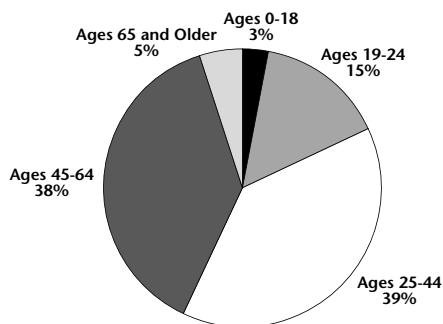


Figure 6B: Percent of Total Hospital Costs by Age of Patient, PFY07 Q1

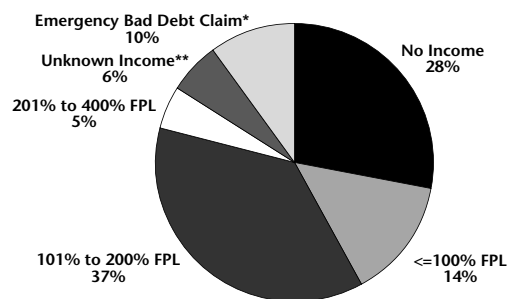


while the entire non-elderly population ages 19 to 64 received 87% of the total service volume (see Figure 6A). The distribution of hospital costs by age exhibits a similar pattern (see Figure 6B).

Utilization Patterns by Income

The majority of Pool users were low-income, single adults (see Figures 7A and 8A). Over three-quarters (79%) of services billed to the Pool were for individuals with incomes less than 200% FPL, who were thereby eligible for full uncompensated care. Interestingly, Pool users with no income accounted for 28% of service volume, but represented 37% of allowable hospital uncompensated care costs (see Figures 7A and 7B); as a group, they were more costly than other Pool users. This pattern has been consistent since PFY05. In contrast, Pool users with family incomes between 101% and 200% FPL were

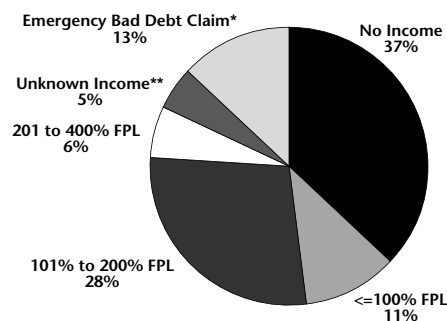
Figure 7A: Percent of Total Hospital Service Volume by Family Income, PFY07 Q1



* Data on family income are unavailable for ERBD claims because there are no uncompensated care applications associated with these claims.

** A small percentage of uncompensated care claims could not be matched to a corresponding application, so information on family income is unavailable for these claims.

Figure 7B: Percent of Total Hospital Costs by Family Income, PFY07 Q1



* Data on family income are unavailable for ERBD claims because there are no uncompensated care applications associated with these claims.

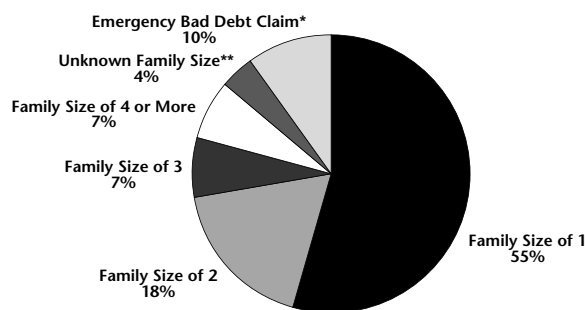
** A small percentage of uncompensated care claims could not be matched to a corresponding application, so information on family income is unavailable for these claims.

less costly, accounting for 37% of claims, but for only 28% of costs.

Utilization Patterns by Family Size

Approximately three-quarters of service volume (73%) and costs to the Pool (74%) were for one- or two-person families. Fifty-five percent of all services were for single, childless adults, and another 18% were for two-person families comprised of two adults, or an adult and child (see Figures 8A and 8B).

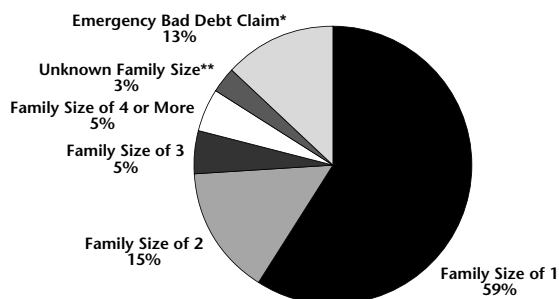
Figure 8A: Percent of Total Hospital Service Volume by Patient Family Size, PFY07 Q1



* Data on family size are unavailable for ERBD claims because there are no uncompensated care applications associated with these claims.

** A small percentage of uncompensated care claims could not be matched to a corresponding application, so information on family size is unavailable for these claims.

Figure 8B: Percent of Total Hospital Costs by Patient Family Size, PFY07 Q1



* Data on family size are unavailable for ERBD claims because there are no uncompensated care applications associated with these claims.

** A small percentage of uncompensated care claims could not be matched to a corresponding application, so information on family size is unavailable for these claims.

Utilization Patterns of the Pool Population: Services Billed to the Pool

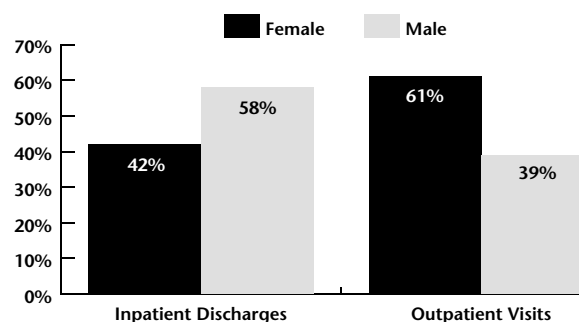
Except where noted, the Uncompensated Care Pool utilization patterns exhibited by the Pool population during the first quarter of PFY07 remained similar to the patterns of utilization observed in previous quarters.

Hospital Utilization by Gender

Consistent with previous quarters, utilization of inpatient and outpatient services differed dramatically for men and women during the first quarter of PFY07. Fifty-eight percent of all inpatient services were for men, while 61% of all outpatient services (including care in outpatient clinics and hospital-licensed health centers) were for women (see Figure 9A).

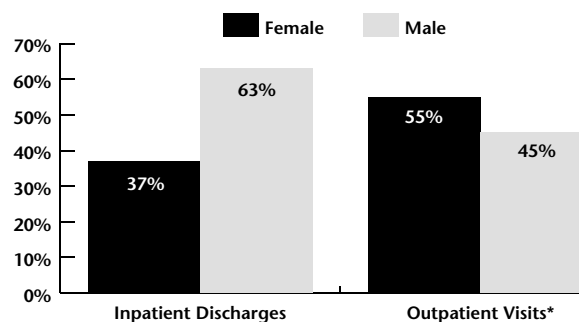
The inpatient care for men accounted for 63% of inpatient costs billed to the Pool, or approximately \$29.4 million, while inpatient care for women accounted for 37% of inpatient costs, approximately

Figure 9A: Percent of Discharges and Visits* by Claim Type and Patient Gender, PFY07 Q1



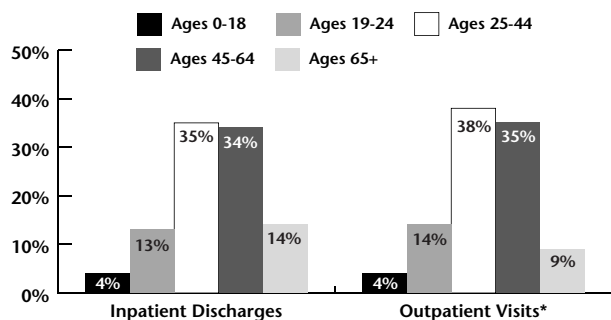
* Includes visits to hospital outpatient clinics and hospital-licensed CHCs.

Figure 9B: Percent of Costs to the Pool by Claim Type and Patient Gender, PFY07 Q1



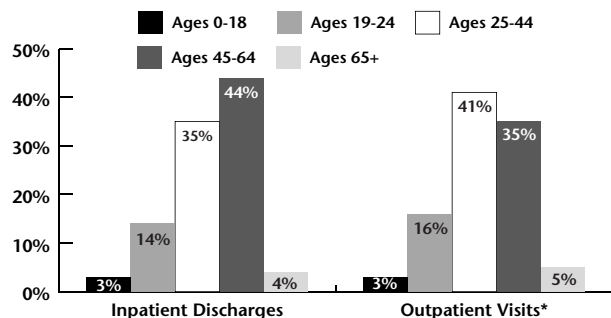
* Includes visits to hospital outpatient clinics and hospital-licensed CHCs.

Figure 10A: Percent of Discharges and Visits by Claim Type and Patient Age, PFY07 Q1



* Includes visits to hospital outpatient clinics and hospital-licensed CHCs.

Figure 10B: Percent of Costs to the Pool by Claim Type and Patient Age, PFY07 Q1



* Includes visits to hospital outpatient clinics and hospital-licensed CHCs.

\$17.0 million. In contrast, outpatient care for women accounted for over half (55%) of outpatient costs, approximately \$53.7 million, while care for men accounted for the remainder (45%), approximately \$44.6 million (see Figure 9B on page 7 and Table 1 on page 4).

Hospital Utilization by Age

Pool users ages 25 to 44 received the most care of any age group in both hospital inpatient and outpatient settings, and generated a large percentage of costs. However, the inpatient care for Pool users ages 45 to 64 was disproportionately expensive; services for this group accounted for 34% of inpatient dis-

Figure 11A: Percent of Inpatient Discharges by Admission Type, PFY07 Q1

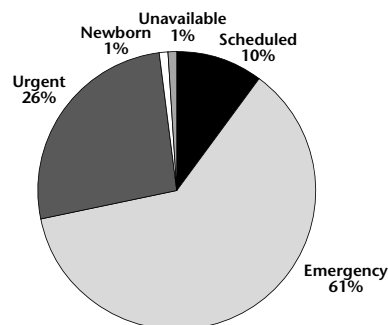
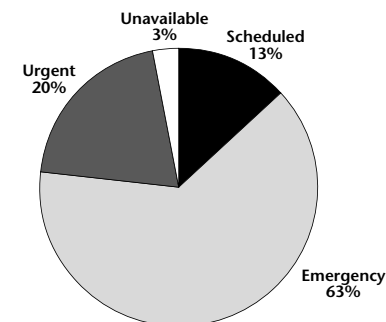


Figure 11B: Percent of Costs to the Pool by Inpatient Admission Type, PFY07 Q1



charges, but 44% of inpatient costs (see Figures 10A and 10B).

Type of Admission

Eighty-seven percent of inpatient services were for emergency or urgent care; 61% were for emergency care, and 26% were for urgent care. An additional 10% were for scheduled (coded as “elective”) procedures (see Figure 11A). Eighty-three percent of costs to the Pool were for emergency or urgent care (see Figure 11B).

Top Reasons for Inpatient Discharges

During the first quarter of PFY07, the most common two reasons for inpatient care were for circulatory dis-

Table 2: Top Inpatient Major Diagnostic Categories for Uncompensated Care Patients by Percent of Total Discharges and Costs to the Pool, PFY07 Q1

MDC	Percent of Total Inpatient Discharges	Percent of Total Inpatient Costs
Circulatory Diseases and Disorders	15%	18%
Mental Diseases and Disorders	12%	10%
Digestive Diseases and Disorders	11%	10%
Respiratory Diseases and Disorders	8%	6%
Alcohol/Drug Use and Induced Organic Mental Disorders	8%	5%
Nervous System Diseases and Disorders	6%	8%
Musculoskeletal Diseases and Disorders	6%	8%
Hepatobiliary Diseases and Disorders	5%	6%
Skin, Subcutaneous Tissue, and Breast Diseases and Disorders	4%	2%
Endocrine, Nutritional, and Metabolic Diseases and Disorders	3%	2%
Total for Top 10 MDCs	78%	76%

* Totals may not add up due to rounding.

orders and mental diseases; 27% of services and 28% of costs were attributable to these major diagnostic categories (see Table 2). Inpatient discharges for mental health and substance abuse related disorders continued to be prevalent within the Pool user population. Together, these diagnoses comprised 20% of inpatient diagnoses and 15% of costs.

Top Reasons for Outpatient Visits

Outpatient pharmacy services continued to represent the largest share of outpatient volume (14%) in the first quarter of PFY07 (see Table 3). Interestingly, however, these visits generated just 6% of outpatient costs. These costs were for outpatient pharmacy services only; when pharmacy services occurred along

Table 3: Outpatient Ambulatory Patient Groups (APGs) for Uncompensated Care Patients by Percent of Total Visits and Costs, PFY07 Q1

APG	Percent of Total Visits	Percent of Total Costs
Pharmacy	14%	6%
Pulmonary Tests	4%	9%
Individual Comprehensive Psychotherapy	3%	1%
Simple Gastrointestinal Diseases	2%	3%
Nonspecific Signs and Symptoms and Other Contacts with Health Services	2%	2%
Fracture, Dislocation and Sprain	2%	2%
Adult Medical Examination	2%	2%
Simple Musculoskeletal Diseases Except Back Disorders	2%	1%
Physical Therapy	2%	1%
Skin Diseases	2%	1%
Total for Top 10 APGs	34%	29%

* Totals may not add up due to rounding.

Table 4: Average Cost per Inpatient Discharge and Outpatient Visit, PFY07 Q1 including Comparison Cost Data from PFY06 Q1

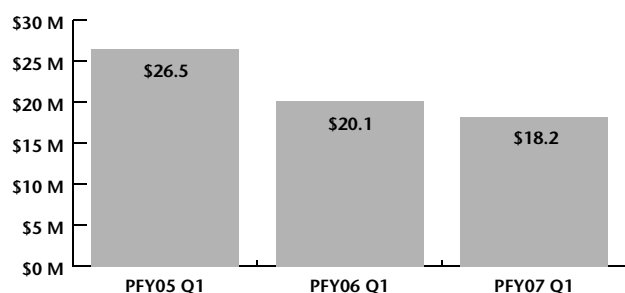
	PFY07 Q1	Hospital Costs to the Pool PFY07 Q1	Average Cost PFY07 Q1	Average Cost PFY06 Q1
Inpatient Discharges	8,706	\$46,463,118	\$5,337	\$5,124
Outpatient Visits	335,036	\$98,308,776	\$293	\$270
Total Inpatient Discharges/ Outpatient Visits	343,742	\$144,771,894	\$421	\$388

with other outpatient services, the bill was grouped under the primary service provided. Pharmacy visits as a percentage of outpatient volume have declined since PFY05; in PFY06 outpatient pharmacy services represented 19% of outpatient volume, and in PFY05 pharmacy represented 23% of outpatient UCP volume.

Average Cost per Inpatient Discharge and Outpatient Visit

The average cost per hospital discharge or visit increased by 9% in the first quarter of PFY07 when compared with PFY06 Q1, and was approximately \$5,337 per inpatient discharge, and about \$293 per hospital outpatient visit (see Table 4). This represents an increase of 4% for the average inpatient cost per discharge, and an increase of 9% for the average outpatient visit compared with PFY06 Q1.

Figure 12: Hospital ERBD Costs, Q1 Comparison PFY05-PFY07



Emergency Room Bad Debt

The Division collects emergency services claims for uninsured individuals from whom the hospital is unable to collect payment. ERBD costs have declined since PFY05, and decreased more than 9% between PFY06 Q1 and PFY07 Q1. In PFY07 Q1, ERBD costs were approximately \$18.2 million or 13% of costs to the Pool (see Figure 12). In PFY06 Q1, ERBD costs represented 13% of total Pool costs, while in PFY05 Q1 ERBD costs represented 17% of total costs to the Pool.

Data Notes

Data used in these analyses were drawn from the following sources:

Monthly Reports from Hospitals and CHCs

Prior to PFY07, hospitals submitted the UC Form, a monthly report of their uncompensated care charges. Beginning in PFY07, hospitals no longer submit the UC Form to the Division. Charge data is analyzed using the Pool claims database. CHCs continue to use the CHC Payment form; which details monthly visit activity for CHCs as well as certain charge activity.

Pool Claims Database

Hospitals and CHCs began electronic submission of Pool claims to the Division in March 2001. During PFY03, the Division began to withhold payments from hospitals with incomplete data. As a result, compliance with data submission requirements improved dramatically. Claims data includes demographic data, detailed clinical information, and charge data.

Pool Applications Database

Hospitals and CHCs began to submit electronic uncompensated care application forms to the Division in October 2000. The application contains data as reported by the applicant.

The eligibility data for individuals determined to be eligible for the UCP or MassHealth after October 1, 2004 were integrated into the UCP applications database to create a comprehensive dataset of demographic and eligibility information for all individuals with UCP eligibility.

Matched Pool Applications and Claims Database

To the extent possible, the Division matches uncompensated care claims to the corresponding uncompensated care application. Matching is based

on the applicant's social security number or tax identification number when available. Additional matching uses an algorithm based on other available data such as phonetic last name, phonetic first name, date of birth, provider, etc. Since there are no applications associated with ERBD claims, ERBD claims data are excluded from the match.

The Division's matching algorithm incorporates application data from UCP applications submitted through MassHealth. In PFY07 Q1, 95% of uncompensated care claims matched to either a DHCFP or a MassHealth application. A small percentage of claims remains unmatched because of timing issues (e.g., applications submitted after an uncompensated care claim was written off), or because of inconsistencies in personal identifiers that hinder matching.

Appendix: Uncompensated Care Pool Sources and Uses of Funds, PFY06–PFY07 Q1

Uncompensated Care Trust Fund	PFY06	PFY07 Q1
Budgeted Revenue Sources		
Hospital Assessment	160.0	160.0
Surcharge Payers	160.0	160.0
General Fund Contribution	171.9	290.0
Other Funding Sources		
General Fund Transfer, Supp. Budget. (§. 14, Ch. 106 Acts of 2005)	24.1	
Transfer from account #4000-0896 (Essential)	10.0	
Total Sources	526.0	610.0
Uses of Funds		
UCTF Pool Uses of Funds		
Hospitals	(466.0)	(480.0)
Dedicated Payment to BMC & CHA		(70.0)
Community Health Centers (Budgeted Funding)	(56.0)	(56.0)
Community Health Centers Special 2006 Distribution for Continuing Goals*	(2.3)	
Demonstration Projects (Historic Pool)	(4.0)	(4.0)
Total Uses	(526.0)	(610.0)
Uncompensated Care Pool: Financial Summary	PFY06	PFY07 Q1
Hospitals		
Hospital Payments	(466.0)	(120.0)
Dedicated Payments to BMC & CHA		(17.5)
Offsets to UCP	(140.0)	(17.5)
Net Allowable UCP Costs**	(662.1)	(144.8)
Hospital Shortfall	(56.1)	(7.3)
Community Health Centers		
Community Health Center Payments***	(56.0)	(14.0)
Community Health Centers Special Distribution for Continuing Goals***	(2.3)	
Net Allowable UCP Costs	(46.1)	(11.0)
CHC Surplus	9.9	3.0
UCP Surplus/(Shortfall)	(46.2)	(4.3)

* Continuing goals include use of electronic medical records, enhanced claims and billing system, additional eligibility processing staff and start-up or inventory costs for 340B pharmacies.

** PFY07 costs are from actual submitted claims data.

*** PFY06 estimated total payments include \$2.3 M of the PFY06 CHC funding paid out to CHCs as a PFY06 year-end special distribution. The value of the payment is included in the total budgeted funds for PFY06, but it retains a separate line item for accounting purposes. The payment was disbursed in Oct 2006.